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Law and Parliamentary Affairs Secretariat

Notification No. LAW 51 LGN 78

Bangalore, dated 31st August 1978.

Ordered that the Karnataka Sales Tax (Amendment) Act, 1978 which received the assent of the Governor on the thirty-first day of August 1978 be published as Karnataka Act No. 18 of 1978 in the *Karnataka Gazette* for general information.

KARNATAKA ACT No. 18 OF 1978

(First published in the Karnataka Gazette *Extraordinary on the First day of September* 1978)

THE KARNATAKA SALES TAX (AMENDMENT) ACT, 1978.

(Received the assent of the Governor on the Thirty-first day of August 1978)

An Act further to amend the Karnataka Sales Tax Act, 1957

WHEREAS it is expedient further to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) for the purposes hereinafter appearing ;

BE it enacted by the Karnataka State Legislature in the Twenty-ninth Year of the Republic of India as follows : —

1. Short title and commencement.—(1) This Act may be called the Karnataka Sales Tax (Amendment) Act, 1978.

(2) It shall come into force at once.

2. Amendment of section 13.—In clause (*b*) of sub-section (3) of section 13 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),(hereinafter referred to as the principal Act), for the words, brackets and figures "the Code of Criminal Procedure, 1898 (Central Act 5 of 1898)", the words, brackets and figures "the Code of Criminal Procedure, 1973 (Central Act 2 of 1974)" shall be substituted.

3. Substitution of new sections for sections 18 and 18A.—For sections 18 and 18A of the principal Act, the following sections shall be substituted, namely :—

"18. *Collection of tax by dealers.*—(1) (*a*) A person who is not a registered dealer liable to pay tax shall not

collect any amount by way of tax or purporting to be by way of tax under this Act; nor shall a registered dealer collect any amount by way of tax or purporting to be by way of tax at a rate or rates exceeding the rate or rates specified under section 5.

(*b*) No person shall collect any amount by way of tax or purporting to be by way of tax in respect of sales of any goods on which no tax is payable by him under the provisions of this Act.

(2) Notwithstanding anything contained in sub-section (1), a dealer who has been permitted to pay any amount by way of composition under section 17 or a dealer who is exempted from sales tax by virtue of recognition granted under the provisions of this Act, shall not collect any amount by way of tax or purporting to be by way of tax on the sales or purchases of goods made during the period to which such composition or recognition applies.

(3) Notwithstanding anything contained in sub-sections (1) and (2),no dealer who is liable to pay additional tax under section 6B shall collect any amount by way of such additional tax or purporting to be by way of such additional tax payable by him.

18A. *Penalty for collection in contravention of section* 18.—If any person contravenes any of the provisions of section 18, the assessing authority may, after giving such person reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one and a half times such amount:

Provided that no proceedings under this section shall be commenced after a period of five years from the expiry of the year in which the amount has been collected:

Provided further that no prosecution for an offence under section 29 shall be instituted in respect of the same

facts on which a penalty has been imposed under this section.".

4. Amendment of section 20.—In sub-section (6) of section 20 of the principal Act, for the words and figures "sections 21 to 24" the words and figures "sections 22 to 24" shall be substituted.

5. Amendment of section 21.—In section 21 of the principal Act, after the words "regularity of such proceeding", in the two places where they occur, the words "in so far as it is prejudicial to the interests of the revenue" shall be inserted.

6. Amendment of section 28.—In section 28 of the principal Act,—

(1) in the proviso to clause (ii) of sub-section (2), for the words, brackets and figures "the Code of Criminal Procedure, 1898 (Central Act 5 of 1898)", the words, brackets and figures "the Code of Criminal Procedure, 1973 (Central Act 2 of 1974)" shall be substituted ;

(2) in the proviso to sub-section (3), for the words "thirty days", the words "sixty days" shall be substituted.

7. Amendment of section 28A.—In section 28A of the principal Act,—

(1) in sub-section (2), after the words "and a bill of sale or delivery note", the words "or such other documents as may be prescribed" shall be inserted ;

(2) after sub-section (3), the following sub-section shall be inserted, namely.—

"(3A) Where goods are delivered to a carrier or other bailee for transmission, the movement of the goods shall be deemed to commence at the time of such delivery and terminate at the time when delivery is taken from such carrier or bailee. Where before delivery is taken from him a carrier or bailee to whom goods are delivered for trans-

mission, keeps the said goods in any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place, any officer empowered by the State Government in this behalf shall have power to enter into and search such office, shop, godown, vessel, receptacle, vehicle or other place of business or building or place, and to examine the goods and inspect all records relating to such goods. The carrier or bailee or the person in charge of the goods and records shall give all facilities for such examination or inspection and shall, if so required, produce the bill of sale or delivery note or other documents referred to in sub-section (2) and give a declaration containing such particulars as may be prescribed regarding the goods and give his name and address and the name and address of the carrier or the bailee and the consignee.";

(3) in sub-section (4), for the words, brackets and figures "sub-section (2) or (3)", the words, brackets, figures and letter "sub-section (2) or (3) or (3A)" shall be substituted.

8. Amendment of Second Schedule.—In the Second Schedule to the principal Act,—

(1) in the entries relating to serial number 18, in column 2, after the word "parts", the words "and accessories" shall be inserted ;

(2) for serial number 24 and entries relating thereto, the following serial numbers and entries shall be and shall be deemed to have been substituted with effect from the 1st day of January 1978, namely :—

"24.	All kinds of mill yarn excluding cotton yarn and filature silk.	Three per cent
24A.	Sewing thread	Three per cent"

(3) in the entries relating to serial number 35, in column 2, after the words "by whatever name called" the words and figures " and cooking medium other than those specified in serial number 47" shall be inserted ;

(4) in the entries relating to serial number 36, in column 2, after the word "Cement", the words "and water proofing compounds" shall be added ;

(5) in the entries relating to serial number 38, in column 2, for the words "country liquor" the words "toddy and arrack" shall be substituted ;

(6) in the entries relating to serial number 39, in column 2, for the words "Country liquor other than toddy" the word "Arrack" shall be substituted ;

(7) after the entries relating to serial number 41, the following entries shall be inserted, namely,—

"41A.	Stethoscopes, thermometers, lactometers, B.P. instruments, surgical cotton wool, enema cans, bed-pans, mosquito repellants and sanitary towels.	Eight per cent"

(8) in the entries relating to serial number 56, in column 2, for the words "and telescopes", the words "telescopes, microscopes and parts and accessories thereof" shall be substituted ;

(9) after the entries relating to serial number 57, the following entries shall be inserted, namely,—

"57A.	Tape recorders, their parts and accessories and tapes and cassettes for tape-recorders.	Fifteen per cent"

(10) in the entries relating to serial number 58, for the entries in column 2, the following entries shall be substituted, namely,—

"Upholstered furniture and furniture of every description including safes, treasure chests, and parts and accessories thereof but excluding wooden furniture".

(11) in the entries relating to serial number 59, in column 2, after the words "cigarette cases", the words "tobacco pipes" shall be inserted ;

(12) in the entries relating to serial number 61, in column 2, for the word "accessories", the words "parts and accessories" shall be substituted ;

(13) in the entries relating to serial number 68,—

(i) in column 2, for the words " Stainless steel sheets and articles ", the words "Articles" shall be substituted ;

(ii) in column 3, for the words"Eight per cent", the words "Ten per cent" shall be substituted;

(14) in the entries relating to serial number 73, in column 2, the words and brackets "(including batteries)" shall be omitted ;

(15) after the entries relating to serial number 73A, the following entries shall be inserted, namely :—

"73B.	Batteries of motor vehicles and parts thereof.	Thirteen per cent"

(16) in the entries relating to serial number 77, in column 2, after the words "wall tiles", the words "and jointing powder and situ mixture" shall be inserted ;

(17) in the entries relating to serial number 78, in column 3, for the words"Eight per cent", the words "Ten per cent" shall be substituted ;

(18) in the entries relating to serial number 79, for the entries in column 2, the following entries shall be substituted, namely :—

" Chemicals of all kinds "

(19) in the entries relating to serial number 81A, for the entries in column 2, the following entries shall be substituted, namely :—

" Dusters and Sprayers used for dusting and spraying pesticides and insecticides and their spare parts (other than oil engines or electric motors) and accessories "

(20) in the entries relating to serial number 85, in column 3, for the words"Fourteen per cent",the words "Fifteen per cent" shall be substituted ;

(21) in the entries relating to serial number 89, in column 2, after the words "grease and furnace oil" the words "transformer oil and coolants"shall be inserted;

(22) in the entries relating to serial number 94, in column 2, after the words "detergent powders and liquids", the words "and laundry brighteners" shall be inserted ;

(23) in the entries relating to serial number 95, for the entries in column 2, the following entries shall be substituted, namely :—

"Ice, Ice-candy, Ice-cream and Ice-fruit" ;

(24) in the entries relating to serial number 97,

(i) in column 2, for the words "and varnish",the words "varnishes, pigments, polishes, indigo, enamel, putty, bale oil, white oil, turpentine, thinners, primers and paint brushes" shall be substituted ;

(ii) in column 3, for the words"Eight per cent", the words "Ten per cent" shall be substituted.

(25) in the entries relating to serial number 103, in column 2, after the words "Ivory articles",the words "and sandalwood articles" shall be inserted ;

(26) in the entries relating to serial number 108, for the entries in column 2, the following entries shall be substituted, namely :—

"Wooden furniture and parts and accessories thereof";

(27) in the entries relating to serial number 109, for the entries in column 2, the following entries shall be substituted, namely :—

"Glass sheets and all articles made of glass" ;

(28) in the entries relating to serial number 110, in column 2, after the words "all articles made of", the words "plastic, polythene or" shall be inserted ;

(29) in the entries relating to serial number 114, in column 2, after the words "Musical instruments", the words "and parts and accessories thereof" shall be inserted ;

(30) after the entries relating to serial number, 119 the following entries shall be inserted, namely,—

"119A.	Gas stoves, kerosene stoves, their parts and accessories.	Eight per cent"

(31) in the entries relating to serial number 121, in column 3, for the words "Eight per cent" the words "Ten per cent" shall be substituted.

(32) in the entries relating to serial number 122, in column 2, for the words "bronze and brass", the words "bronze, brass and aluminium" shall be substituted.

(33) in the entries relating to serial number 124 in column 2, after the words "Tractor-trailors" the words "and parts and accessories thereof" shall be inserted ;

(34) in the entries relating to serial number 125 for the entries in column 2, the following entries shall be substituted, namely,—

	"All kinds of paper including carbon paper, blotting paper, water proof paper, PVC coated paper, Ferro papers, Ammonia paper, stencil paper but excluding paper falling under serial number 55 ; pulp boards, art boards, duplex boards, triplex boards, card boards, corrugated boards and the like ; cellophane."	

(35) after the entries relating to serial number 140 the following entries shall be inserted, namely,—

"141.	(i) Raw rubber namely, latex	Six per cent.
	(ii) Latex foam sponge	Eight per cent.
	(iii) Rubber plates, sheets and strips unhardened, whether vulcanised or not, and whether combined with any textile material or otherwise.	Eight per cent.
	(iv) Piping and tubing of unhardened vulcanised rubber.	Eight per cent.

	(v) Transmission, conveyor or elevator belts or belting of vulcanised rubber whether combined with any textile material or otherwise.	Eight per cent.
	(vi) Synthetic rubber including butadiene, acrylonitrile rubber, styrene butadiene rubber and butyl rubber, synthetic rubber latex including pre-vulcanised synthetic rubber latex.	Eight per cent.
142.	All kinds of inks	Eight per cent.
143.	Metal caps	Eight per cent."

(36) Explanation II shall be omitted.

9. Amendment of Third Schedule.—In the Third Schedule to the principal Act,—

(1) in the entries relating to serial number 4a, in column 3, for the words "Three per cent", the words "Four per cent" shall be substituted.

(2) in the entries relating to serial number 13a, in column 2, after the word "lobsters" the words "other than processed or frozen shrimps, prawns and lobsters," shall be and shall be deemed always to have been inserted;

(3) the following explanation shall be and shall be deemed always to have been inserted, at the end, namely,—

"*Explanation.*—In item 13a, "processing" includes all or any of the following namely, cutting of head or tail, peeling, deveining, cleaning or freezing.".

10. Amendment of Fourth Schedule.—In the Fourth Schedule to the principal Act,—

(1) in the entries relating to serial number 7, in column 4, for the words "One and a half per cent", the words "Three per cent" shall be substituted;

(2) in the entries relating to serial number 9, in column 2, for the word "rice", the words "paddy and rice" shall be substituted ;

(3) the following explanation shall be added at the end, namely :—

"*Explanation*.—Where a tax has been levied under this Act in respect of the sale or purchase of any paddy referred to in serial number 9, the tax leviable on rice procured out of such paddy shall be reduced by the amount of tax levied on such paddy."

11. Amendment of Fifth Schedule.- In the Fifth Schedule to the principal Act, serial number 44 and entries relating thereto shall be omitted.

By Order and in the name of the Governor of Karnataka,

K. R. CHAMAYYA,
Draftsman and Ex-Officio
Additional Secretary to Government,
Department of Law and Parliamentary Affairs.

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